(c) if so, how Government would ensure that the capacity building programme adequately reflects the development needs of the country?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) The framework for functioning of the CCI is laid down in the Competition Act, 2002.

(b) and (c) Two technical assistance projects have been undertaken with the assistance of USAID and World Bank. The projects, *inter-alia*, aim at building up the capacity of the Commission in competition policy related matters and for implementation of the Competition Act, 2002. The implementation of these projects will take place through the Central Government and CCI so that the development needs of the country are kept in view.

**Disappearance of companies**

832. SHRI N.R. GOVINDRAJAR:
SHRIMATI JAYA BACHCHAN:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that a large number of companies which entered the capital market from 1993 to 1995 have disappeared with a sum of about Rs. 1700 crores;

(b) whether it is also a fact that despite prosecution, proceedings and arrests in some cases, not a single rupee has so far been recovered and restored to investors;

(c) whether the prosecution agencies like CBI are now taking the plea behind various definitions of the terms like investors etc. and openly denying the possibility of restoration of invested funds to their investors; and

(d) if so, the reasons therefor?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) 71 companies stand identified as on date as Vanishing Companies which came out with IPOs during the period 1993—1995, for raising a sum of Rs. 607.65 crores from the public.

(b) Even though prosecution and disgorgement proceedings have been initiated in a few cases, a final outcome in these cases still awaited as it involved court process.

(c) and (d) This Ministry has not referred any case of Vanishing Companies to CBI for investigation. However, Prosecutions have been filed against these companies under various provisions of the Companies Act, 1956. FIRs have also been filed under the provisions of Indian Penal Code (IPC) and investigations are under progress by Police Authorities in various States.

**Two separate funds for Consumer Protection**

833. SHRI LALITBHAI MEHTA: Will the Minister of FINANCE be pleased to state:

(a) whether there are two separate funds available for consumer protection and awareness, one with the Department of Company Affairs (DCA) and another with the Securities and Exchange Board of India (SEBI);

(b) if so, to what extent, the DCA has utilised the available funds for the purpose for which it is meant;

(c) whether the Ministry is considering transferring the Investor Education and Protection Fund (IEPF) available with DCA, to the SEBI;

(d) if not, the reasons therefor; and

(e) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) An Investor Education and Protection Fund (IEPF) has been established under Section 205C of the Companies Act, 1956 by way of Companies (Amendment) Act, 1999 for promotion of investors' awareness and protection of the interest of investors. SEBI does not have separate fund for consumer protection and awareness.

The details of funds utilised by Ministry of Company Affairs under IEPF are as below:

| Year | Budget | Expenditure |
|---|---|---|
| 2001-02 | Rs. 57,00,000 | Rs. 67,00,000 |
| 2002-03 | Rs. 3,03,00,000 | Rs. 1,79,40,000 |
| 2003-04 | Rs. 3,00,00,000 | Rs. 2,83,55,000 |
| 2004-05 | Rs. 3,00,00,000 | Rs. 1,63,37,684 |